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14 JUL 1967

MEMORANDUM FOR: Deputy Director for Support

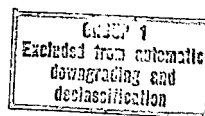
SUBJECT : Office of Logistics Significant Accomplishments,
Fiscal Year 1967

1. This memorandum is for your information only.
2. Attached is a brief report of significant accomplishments of the Office of Logistics (OL) during Fiscal Year 1967. In addition, we have continued to perform the routine and essential functions to fulfill the mission of the Office.
3. From a management point of view, three areas of activity are particularly worthy of note:
 - a. The Planning Staff, OL, has been reoriented toward a continuing management review to insure that old methods and techniques are discarded and new ones instituted as appropriate. It is also reviewing, analyzing, and evaluating the OL operating plan and programs in order to relate funds, manpower, and other source requirements to Agency programs and objectives. This combines, at a single senior point, the firstline responsibility for budget planning and programming. Results of this new responsibility were of great value because this period saw a steadily increasing workload in OL, while at the same time our ceiling was reduced by [] positions. 25X9
 - b. The volume of worldwide construction activity continues to increase, requiring commitment of more Agency engineers to monitor major projects in widely separated areas of the world.
 - c. We are showing steady improvement in Agency procurement controls, contracting procedures, and increased value per dollar expended. There has been a reduction in the number of contract actions resulting from greater use of other Government agencies' facilities such as MILSTRIP and FEDSTRIP. 25X1

[]
George E. Meloon
Director of Logistics 25X1

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XOFFICE OF LOGISTICS SIGNIFICANT ACCOMPLISHMENTSFY 19671. Significant Contributions to the Agencya. Support Planning Team, Revolutionary Development Program, Vietnam

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[REDACTED] Chief, Supply Division, OL, was the senior member of the Support Planning Team on TDY to Vietnam. In coordination with the Vietnam Station, this team developed support programs and related management controls for FY 1967 and FY 1968 to measure the resources required to carry out the Revolutionary Development Program for these periods.

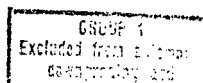
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c. Employee Parking Committee

At the request of the Deputy Director for Support (DDS), OL established and chaired an Agency employee parking committee. Its membership included representatives of the Offices of Logistics, General Counsel and Personnel, as well as the Directorates of Plans, Intelligence and Science and Technology. The committee report of findings and recommendations has been submitted to your Office.

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e. Snow and Weather Emergency Plan

A detailed snow and weather emergency plan was developed for the Agency. This plan was operational during the winter of 1966-1967 and proved effective.

f. Cost Reductions

Cost avoidance or reductions through negotiated effort for FY 1967 are projected at \$1.9 million. The beneficiaries of these reductions were the Offices of each Directorate. The cost reductions were arrived at on the basis of estimated and/or published prices versus actual prices after negotiation with the vendors. Current estimates distribute these savings as follows:

DDS&T	\$530,000	
DDI	186,000	25X1
DDS	707,000	
DDP	487,000	

h. Executive Dining Room

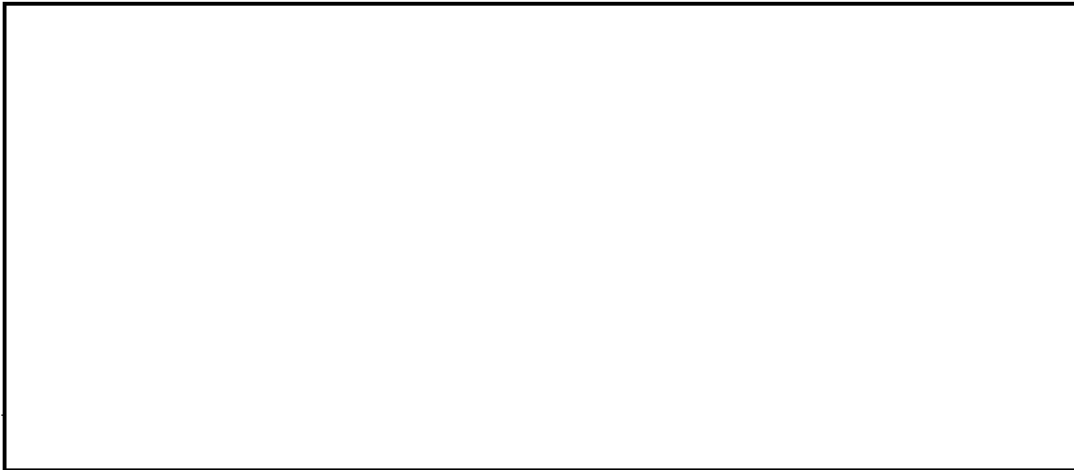
Responsibility for operation of the Executive Dining Room was transferred from the Office of the DCI to OL, effective 1 July 1966. A special fund has been established, out of dining room funds, to cover maintenance and related costs which previously were charged against the Logistics Services Division, OL. Also, monies have been set aside to maintain liquidity in membership deposits and a fund established for equipment replacement.

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i. Temporary Duty Assignments

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j. Leased Electronic Circuits Budgeting

A management analysis was completed recently relative to certain leased electronic circuits and facilities which, historically, have been budgeted for by OL. The majority of these circuits are utilized for encrypted transmission of information. The study resulted in a recommendation, which has been approved by your Office, that budgetary responsibility for these items be transferred to the Office of Communications, with the exception of service which is customer related. Assumption of budget responsibilities, as outlined above, contributes to the fulfillment of Agency responsibility for program budgeting.

2. Significant Management Accomplishments Within OL

a. Progress in Automated Systems

We have designed, with the cooperation of SSS/DDS and the Office of Computer Services, and are now testing an interim, Automated Contract Management System. This System will answer our immediate requirement for current contract information and more meaningful reports. In addition, it will provide a data base which can be expanded for use under the more sophisticated Support Information Processing System (SIPS) now being designed by the SSS/DDS. This System is independent of the DDS Management System and is under the operational control of OL. Additionally, in coordination with the SSS/DDS, OL is developing several Automatic Data Processing (ADP) subsystems, including requisitioning, warehousing, stock management, transportation, finance (property related), and procurement.

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b. Construction of the Printing Services Building

This building is being constructed at the Headquarters Building site and conforms to the same architectural design. For the first time in Agency history, its printing facilities will be housed in a building designed specifically for a printing operation. Occupancy of this building is scheduled for early FY 1968.

c. New Modular Packing Technique

The development and adoption of a new modular packing technique has been most successful. It consists of pre-formed, molded, polystyrene containers for fragile and critical items and has resulted in numerous advantages. This "cocoon" method of packing has significantly reduced damage in shipment and transportation costs. In addition, it offers labor savings in packing, a smaller shipping unit, and satisfactory long-term safe storage.

d. Telephone Service and Facilities

Telephone service requirements continue to increase. Additional tieline facilities were created and, at our request, the C&P Telephone Company installed a new 1100 pair cable to improve facilities and provide alternate routing for Agency service. Telephone service to the DCI's residence was improved, and special security measures were installed. Interconnection of the Agency KY-3 system with the Washington Secure Voice Network is being accomplished. Dial tieline facilities are being completed between the Agency secure voice system and the US Air Force and Vocom secure voice switching systems. When completed early in FY 1968, this interconnection with Vocom will permit Agency KY-3 users to go worldwide on a secure basis.

e. Training

At the cost of \$11,536, OL placed 149 individuals in 111 different internal and external training courses, including 16 who attended Military Command or Senior Management Courses. Of particular satisfaction was the expansion of the ADP training. A total of 53 employees attended 23 courses in ADP at a cost of \$2,741. Forty-four employees participated in six runnings of the course entitled Support Services Review: Trends and Highlights. Six Support Career Trainees were acquired and were given OL orientation by rotation through the divisions [redacted]

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g. Awards and Recognition

Four hundred and fifteen Logistics careerists, including Wageboard as well as GS positions, were promoted during this period. This figure is somewhat high because the spring 1966 promotion review carried over into FY 1967 before those actions were made effective. Twenty-four employees were granted Quality Step Increases. Two employees were awarded the Intelligence Medal of Merit, one the Certificate of Merit, and one was awarded both the Certificate of Distinction and the Certificate of Exceptional Service. Nine employees received awards ranging from \$15 to \$125 as a result of submitting suggestions which were adopted. The [redacted] Awards Program honored four employees of the [redacted] for superior performance, and twelve Unit Awards were issued. Cash awards ranging from \$25 to \$100 were made.

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i. Personnel Staffing

(1) In January 1967, OL was advised that a reduction in ceiling from [redacted] positions to [redacted] positions would be effected not later than 30 June 1967. Through careful distribution of reductions, these positions were identified and deleted and, where necessary, personnel reassignments were effected. At the close of FY 1967, the OL on-duty strength was [redacted]. This figure included 10 clerical personnel assigned from the Office of Personnel pool for strength purposes only. In addition to those employees assigned directly to OL, another [redacted] Logistics careerists are serving in positions outside OL.

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(2) The 1967 summer rotation pattern has been completed and involved the transfer of 73 Logistics employees either to or between overseas posts during the fiscal year. Initial steps are being taken at this time to plan and implement re-assignments for the summer 1968 rotational period. Approximately 56 employees will complete overseas tours and will be eligible for rotation to the United States.

(3) During FY 1967, 88 Logistics employees resigned and 109 new employees entered on duty.

(4) During the same period, 20 employees retired and 24 obtained approval for retirement extensions. In conjunction with current emphasis on preretirement counseling, approximately 200 Logistics employees have been interviewed individually in connection with both the CIA and Civil Service retirement systems during the past year. Currently, 61 Logistics employees are eligible to retire.

j. Reimbursement to Other US Government Agencies

Through the joint efforts of OL and the Office of Finance, the concept of "constructive evidence of receipt" was adopted, and, effective 15 December 1966, all inter-departmental billings resulting from MILSTRIP/FEDSTRIP transactions are being paid upon receipt of billing. Payments are subject to adjustments by the billing agencies upon identification and verification of receipt by the Agency.

k. Teletypewriter Paper Stockage

The requirements for teletypewriter equipment utilized by the Agency, including quantity and color of duplicate copies desired, resulted in OL stockage of approximately 30 types of teletypewriter paper. Standardization actions during the past three years have resulted in current Agency stockage of only 18 types of paper. This number will be further reduced when present stocks of nonstandard items are exhausted. This results in reduced storage space requirements, fewer procurement and receiving actions, and lower inventory control costs.

l. Liaison with Operating Division and Staff Logistics Officers

Weekly liaison contacts are made with operating division and staff Logistics Officers to ensure timely support on the part of OL.

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3. Significant Accomplishments Within the Logistics System

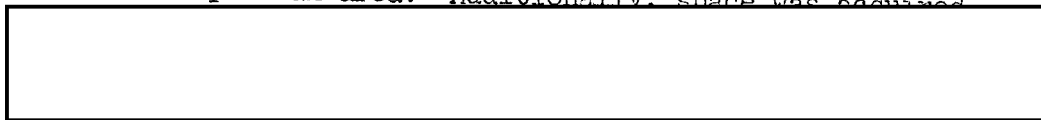
a. Real Estate and Construction Activities



b. Space Utilization, Renovation, Design, and Modification

Space requirement problems continue to be vexing. Renovation and modification were performed in 28 areas in the Headquarters Building and in 11 Agency-occupied buildings in the Metropolitan area. Additionally, space was acquired

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c. Computerized Phototypesetting

The Office of Logistics developed a method of computer-assisted phototypesetting in which a completely formatted page is produced without the conventional composing room operations. It was principally designed for the printing of National Intelligence Surveys, of which 34 sections have been produced to date. This system was also designed to accept machine language tapes furnished by the customer component as a byproduct of normal manuscript preparation. The first Logistics stock catalog was printed by this method in June 1967, and other applications will follow.

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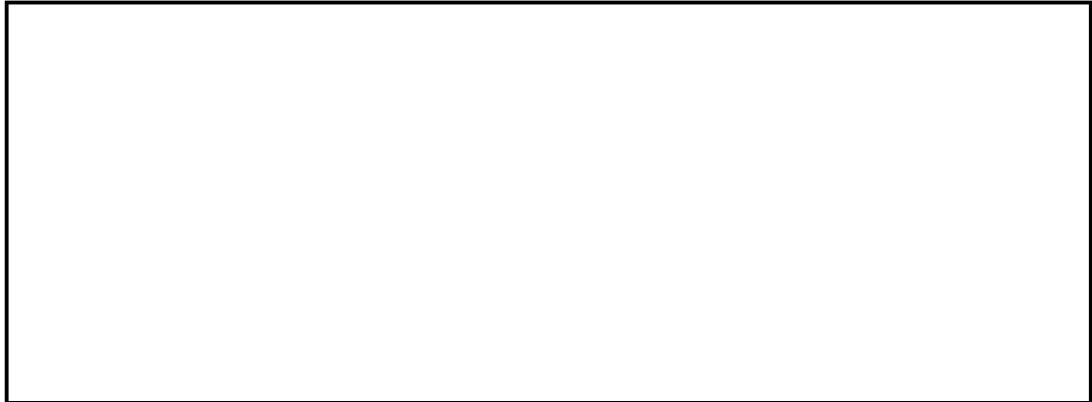


e. Purification of Agency Stocks

During the past 12 months, purification of Agency stocks has been accomplished by deleting 9,500 stock numbers on non-moving, obsolete, and nonstandard items.

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h. Utilization of Excess Materiel

A continuous review of lists of materiel declared excess by other Government agencies has resulted in OL obtaining considerable quantities of desired items at a relatively low cost. Through May of FY 1967, we have acquired excess materiel priced at \$6,851,927 for only \$342,751 (packing, handling, and transportation charges), or a cost avoidance of \$6,509,176. Materiel obtained included such items as parachutes, ordnance, 450,000 yards of blanket material, electron tubes, and an aircraft engine.

i. Contract Procurement

Final FY 1967 statistics on overall Agency procurement are not yet available. The trend indicates a higher dollar volume, but fewer and more complex contract actions. An example is [redacted] which warranted special handling and attention in the number of contracts involved totaling approximately [redacted]

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j. Issues of Excess Agency Property

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During FY 1967, Agency excess property, amounting to [redacted] was issued to Agency components without cost.



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